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SUBJECT: THAILAND IN 2006 - POLITICS AND THE SOUTH

REF: A. A) BANGKOK 003180 DAS ERIC JOHN MEETS THAKSIN'S
ORACLE

[1](#)B. B) BANGKOK 003147 THAKSIN BACK AT HIS DESK

[1](#)C. C) BANGKOK 002991 MANICHALEAN STRUGGLE FOR THE
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[1](#)D. D) BANGKOK 002990 THAKSIN SEES SELF AS
THAILAND'S AUNG SAN SUU KYY

[1](#)E. E) BANGKOK 002988 PRIVY COUNCILOR ON THAI
POLITICAL SITUATION

[1](#)F. F) BANGKOK 003196 SOUTHERN VIOLENCE: THE POLICE
SEARCH FOR SYNCHRONICITY

[1](#)G. G) BANGKOK 003192 SOUTHERN VIOLENCE: MAY 17-18
VISIT TO FAR SOUTH

[1](#)H. H) BANGKOK 003179 SOUTHERN VIOLENCE: SENIOR THAI
OFFICIALS BRIEF DAS JOHN

[1](#)I. I) BANGKOK 002338 THE WAY AHEAD IN SOUTHERN
THAILAND

[1](#)J. J) BANGKOK 002621 THE ANDAMAN SEA MARITIME
INITIATIVE

Classified By: AMBASSADOR RALPH L. BOYCE. REASONS 1.4 (B,D)

[1](#)1. (C) Summary: Political uncertainty will be the theme the rest of this year in Thailand as Thaksin and his political opponents gird for renewed conflict. US-Thai FTA negotiations can be expected to languish during this period. If the political instability becomes protracted a decline in foreign and domestic investment, already evident, could worsen. Violence continues on a virtual daily basis in the deep south. We have evinced interest from Thai leaders for increased U.S. training focused on southern security forces with the proviso that this would not be held in the south or couched publicly as related to the region. End summary.

[1](#)2. (C) Thailand will spend the balance of 2006 in a state of political uncertainty. As noted in Embassy reporting, the Thai political crisis has grown increasingly complicated, as multiple lawsuits work their way through the three high courts, charged by the King with finding a solution to the "mess" created by the "undemocratic" April 2 parliamentary elections. Over the next five or so weeks, the surface situation will likely remain calm as the country celebrates the 60th anniversary of the King's ascension to the throne. Currently, Thaksin presides over the Council of Ministers, the lower house elections are scheduled for mid-October - with the three main opposition parties participating this time - and the courts are deliberating.

WHAT LIES BENEATH?

[1](#)3. (C) Under the surface of this temporary calm, the opposing forces are marshaling to renew the political struggle. The cycle of anti-Thaksin protests will ratchet up following the end of celebrations in June. A vital arena is in the courts as the justices decide dozens of lawsuits against Thaksin and lesser numbers against his opponents such as the People's Alliance for Democracy's (PAD) and Sondhi Limthongkul. Another critical point will be the intentions of Mr. Thaksin himself. Despite criticism from his enemies, Thaksin returned from his "leave" from office on May 23 to reassume his full responsibilities as caretaker Prime Minister until formation of a new government after October's elections. His timing was canny in light of PAD's self imposed break from demonstrations in the lead-up to the King's anniversary celebrations.

OPPONENTS QUIET FOR NOW

[1](#)4. (C) After the celebrations end, however, PAD and the rest of the "street" opposition, will be ready, in the wake of Thaksin's return to work, to begin baying anew for his political blood. If Thaksin has been diminished by the crisis of events over the past several months, however, there has not yet been a commensurate rise in the stance of his formal opposition. So far, Democrat Party Leader Abhisit Vejjajiva has been relatively quiet and there have been expressions of disappointment in his lackluster performance, despite the current situation being the DP's greatest

political opportunity since Thaksin's election in 2001.

WHEELS OF JUSTICE GRINDING QUIETLY

15. (C) One investigation, based on a petition by DP Secretary-General Suthep Thaugsuban, holds the potential to

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change the entire complexion of the current crisis. An Election Committee (EC) subcommittee is investigating Suthep's claims that TRT officers bankrolled a number of small parties to run against TRT in April's election. (The inclusion of these minor opponents allowed TRT candidates, in the wake of the opposition boycott, to avoid having to pick up the required 20 percent of the vote in unopposed contests.) Though there has been no official announcement, rumors are rife that some TRT officers are already implicated by the subcommittee. If the EC and ultimately the Constitutional Court finds them guilty, the TRT would be liable for dissolution. If this occurs, there could be a swift return to a political arena with a dozen political parties contending for office.

16. (C) Other observers view the political upheavals of the past few months as blowback from the conservative "old order," symbolized by the monarchy, against Thaksin's brave new world of consumer-driven growth, rapid social change and globalization. Critics see Thaksin as brash, corrupt and contemptuous of traditional Thai culture and social structure. In the eyes of Thaksin's detractors, a balance has returned to the political stage and Thaksin and his confederates have had their wings clipped. The new parliament is slated to deliberate Constitutional reforms that will theoretically improve the present version by shutting off the abilities of future governments to suborn the independent watchdog bodies and stifle dissent.

WHAT IS THE EFFECT?

17. (C) Supporters of the events of the past four months say that Thai democracy has "matured" and point to the peaceful nature of the uprising against Thaksin, the professional response of the police, the non-involvement of the military and the actions of the courts. Other observers, however, warn that the resort to street pressure by Thaksin's opponents and the subsequent reliance on palace intervention to untangle the constitutional Gordian knot created by the April election impasse sets a dangerous precedent. As we noted in earlier reporting, future politicians may find it more difficult to operate as a result of the current upheaval. But amidst the elation of Thaksin's enemies, the swerve off the path of clearly defined political process into murky legal waters has many Thais feeling unsettled.

THE FTA AND THE ECONOMY

18. (C) For US interests, the most immediate and visible casualty of the current political instability is the suspension of FTA negotiations. The last negotiating round was held in January, and talks probably will remain on hold at least through the end of the year. The FTA's prospects for 2007 are iffy: a newly elected, fully empowered Thai government may deem the whole FTA project too controversial and divisive, and may shy away from further pursuit of a comprehensive trade deal with the US. Thai politicians have told us that at least over the short-to-mid term future, Thai candidates will shy away from FTA-related issues. As a counteroffer, Thailand may propose a narrower trade deal that focuses on market access.

19. (C) Political instability, if it becomes protracted, could have a serious impact on Thailand's economy. Both domestic and foreign investment already is drying up, and this will worsen if the current lack of effective leadership persists.

THE SITUATION IN THE SOUTH

19. (C) Although the domestic political crisis has dominated the news headlines (both national and international) in recent months, violence continues apace in the far South, with attacks occurring on a daily basis across the provinces of Pattani, Yala, and Narathiwat. These attacks include the recent bombing attack on soldiers in Pattani that killed 3 and the hostage taking/beating of two government teachers in Narathiwat. However, recent statistics show that since December 2005 the total number of attacks has declined when compared with the prior two year period. It remains the RTG's most pressing security issue and a potential threat to our interests. Approximately 1,200 persons have been killed either by militants or by security forces since January 2004 when the decades-old insurgency flared up again.

10. (C) There is no current evidence of direct transnational terrorist involvement in the South, but we know some linkages with suspected regional terrorists (JI) exist. Southern separatists direct their anger at the government in Bangkok, not at the U.S., and continue to define their struggle mainly along ethnic rather than religious lines. However, rumors that the U.S. is somehow fomenting the violence as part of our war on terror continue to be widely believed in the South. To avoid feeding these rumors, we meticulously avoid military training exercises and the like in the South, and do not label our security assistance as related to the conflict.

11. (C) The National Reconciliation Commission -- working to address root causes of the southern unrest -- is expected to release its final report during the first week of June. NRC Chairman Anand Panyarachun asked EAP Assistant Secretary Hill that the U.S. issue a statement in support of the NRC's report after it is released.

12. (S) The Thai government has entered into secret negotiations with Thai separatist leaders. It is unlikely that the talks -- scheduled to take place in June in Geneva -- will impact the violence, as the separatist leadership has questionable control over the disparate militant cells that are operating in the far South.

13. (C) The RTG response to violence in the far South remains undercut by poor security force capabilities, rampant stove-piping, and the lack of an effective prosecutor-police partnership. In the last two years we have shifted a significant portion of our wide ranging training and assistance programs to help improve Thailand's capabilities. We have determined that our excellent military-to-military assistance program is generally on the right track. The Thai police, however, remain the weak link in the southern security apparatus (ref F). We have proposed to Washington a bold, new interagency plan to refocus our assistance, combat Thai shortcomings, and help the government reverse some of its losses in the South.

THE WAY AHEAD IN SOUTHERN THAILAND

14. (C) Ref I outlines our plan for refocusing our efforts to improve Thai capabilities in the troubled South. In subsequent weeks, we have worked within the interagency to streamline these proposals and identify funding (see DOS strategy paper for details). We have discussed the basics of these proposals with Thai officials--at both senior and working levels. In separate meetings with visiting EAP DAS Eric John and the Ambassador (ref H), both Deputy Prime Minister Chidchai Vansatidya and NSC SecGen Winai Pattiyakul--the RTG's 'point men' on the South--expressed support for increased USG training focused on southern security forces, but cautioned that any such training cannot be held in or publicly connected to the South. We also have brought together our subject experts at the International Law Enforcement Academy in Bangkok and senior police officials from the South to discuss specific training needs and opportunities.

THE ANDAMAN SEA MARITIME INITIATIVE

15. (C) Ref J describes our 20 million dollar proposal -- part of Section 1206 of the National Defense Authorization Act -- to assist the Thai by setting up a radar array on the Western coast of Thailand that could cover the entire Western seaboard of Thailand down to the northern entrance of the Strait of Malacca. The proposal also includes patrol boats and enhanced air-borne radar for patrol aircraft. The Thai radar array could be linked with radar systems in neighboring countries. Our initiative supports Regional Maritime Security, the Proliferation Security Initiative and overall counter-terrorism goals. In recent days, we have received assurances from DOD and PM that our proposal will be funded. The concept is endorsed by PACOM, DSCA, JCS, OSD as well as the Thai Supreme Command and Navy. We are working with Washington to declassify the proposal once funding is assured.

BOYCE